

DURANT NON-PLAINTIFF PAYMENT NOVEMBER 15, 2004

We have processed the November 15, 2004 *Durant* non-plaintiff district payment. That payment represents the seventh of ten equal annual payments to non-plaintiff districts in the *Durant v State of Michigan* court case. These payments began in November 1998 and continue through November 2007. They are processed on November 15 or the prior business day. These are payments to non-plaintiff local and intermediate districts with settlement amounts greater than or equal to \$75,000. The payments will total to one-half of the settlement. Most districts chose to bond for the other half of the settlement, and received those proceeds in November 1998.

INFORMATION REGARDING SECTION 31a AT-RISK

The Section 31a At-Risk allowance amount appearing on the November 2004 State School Aid Financial Status Reports was inadvertently calculated using the October 2002 free breakfast, lunch and/or milk eligible pupil count instead of the October 2003. The October 2003 count was properly used to calculate the Section 31a allowance in last month's payment. Depending on whether your eligible pupil count is going up or down, your district has either been underpaid or overpaid Section 31a funds through November. The payments will be corrected in the December payment.

FINANCIAL INFORMATION DATABASE (FID) SUBMISSION

This is the first year that the Annual Comprehensive Financial Report (formerly Form B) was submitted via the Financial Information Database (FID). An overwhelming majority of schools have submitted their FID data on time. We applaud your efforts and wish to thank you for all the hard work that you put into this new system. (Glenda Rader, (517) 335-0524, RaderG@Michigan.gov)

NOVEMBER PAYMENT INFORMATION

The November state school aid payment is the second payment of the 2004-2005 year. The payment will be electronically transferred to the districts' accounts on Friday, November 19th as the 20th falls on the weekend.

Taxable value - The November payment continues to use the *beginning* 2004 tax roll non-homestead taxable value data, as provided by the county treasurers via the web based taxable valuation collection process. These data can be viewed by school district personnel on the Department's website. The URL is: <http://taxvalue.mde.state.mi.us/taxvalue>. To view your data, click on "Public Access," and then choose your district code and the appropriate tax year from the drop-down menus.

Questions concerning taxable value should first be directed to the appropriate county treasurer.

Pupil membership - September 2004 unaudited pupil count data received prior to November 1, 2004 were used in the calculation of the blended membership count for the November payment. Otherwise, the estimates that were used in the October payment continue to be used. Please note that using either the estimates or the unaudited data, districts eligible for the **three-year average membership blend** will have their state aid calculated based upon that average. These are districts with a current year 25% - 75% blend of less than 1,550 and 4.5 or fewer pupils per square mile for whom the average of the membership blends for fiscal year 2003, fiscal year 2004 and fiscal year 2005 exceeds the current year blend. An asterisk (*) next to the membership figures on the status report indicates a three-year average.

Special Education cost figures - The 2002-2003 special education and special education transportation cost figures continue to be used in the November payment. The 2003-2004 cost reports, which were due this fall, are being audited by the Office of Special Education and Early Intervention Services and will be used to estimate current year costs when the data are released to the Office of State Aid and School Finance. (Dianne Easterling, Special Education and Early Intervention Services, (517) 241-4517, EasterlingD@Michigan.gov).

Updated categoricals - The following categoricals were updated in the November payment although the updates may not have affected the allocation amounts for all districts. If the allocation amount for your district has changed and you have questions concerning that change, contact the consultants identified below:

- C Michigan School Readiness Grants - Section 32d (Connie Robinson, School Excellence, (517) 241-4291, RobinsonConnie@Michigan.gov).
- C Special Education - Section 54 (Dianne Easterling, Special Education and Early Intervention Services, (517) 241-4517, EasterlingD@Michigan.gov).
- C School Lunch - Section 31d (Dawn Harris, Grants Coordination and School Support Services, (517) 373-4335, HarrisDM@Michigan.gov).
- C Math and Science Centers - Section 99 (Kevin Richard, School Improvement, (517) 373-4223, RichardKE@Michigan.gov).
- C Adult Education - Section 107 (Joellen Wonsey, State Aid and School Finance, (517) 373-3352, WonseyJ@Michigan.gov).

Prior Year Adjustments - Many prior year adjustments have been processed in the November payment. The majority of these adjustments are based on taxable value changes for fiscal years prior to 2005 reported to the Department via the web. See item above labeled "Taxable Value" for instructions on how to view these taxable value changes. These value changes are the ones that previously were reported to the Department on the DS-4410C form which is now obsolete. We have attempted to verify all value changes that appeared to be questionable. For years prior to FY 2001 these adjustments are labeled "FOUNDATION" under the Prior Year Adjustment section of the status report. The adjustments for FY 2001 through FY 2003 are labeled "PROPOSAL A." (Glenda Rader, State Aid and School Finance, (517) 335-0524, RaderG@Michigan.gov).

ENHANCEMENT TO TAXABLE VALUATION COLLECTION PROCESS

Several intermediate school districts requested an enhancement to the web-based taxable valuation collection process mentioned above. Specifically they requested that an option be implemented that would allow them to view all their constituent districts' data without having to view each district's data separately. We are pleased to inform you that intermediate districts are now able to view all their constituent districts' data by simply selecting the intermediate district's school code number from the pick-list on the taxable valuation web page.

DECEMBER 3, 2004 REVENUE ESTIMATING CONFERENCE

The State Treasurer has announced that a special revenue estimating conference has been scheduled for December 3, 2004. The conference has been called at the request of the Senate Fiscal Agency. The conference is expected to determine the fund balance of the general fund and the school aid fund at fiscal 2004 year-end. Also, it is intended to update the projected revenues for FY 2005. We hope to update you with the results of that conference in the December UPDATE.

IMPORTANT DATES TO REMEMBER

NOTE: Noncompliance with the following deadline dates can result in the withholding of state aid. Please be aware, however, that calculation of the November payment occurs prior to these dates. Therefore, the November payment is NOT being withheld for noncompliance with the following requirements. Continued noncompliance, however, will result in the withholding of the December state aid payment.

- C The **FY 2004-05 SRSD Records (including State Aid FTE Counts)** for the September 22, 2004 count date were due to ISDs on **October 27** and from the ISDs to the Center for Educational Performance and Information (CEPI) on **November 10**. Failure to file these reports will result in the **withholding of state aid**. (Joellen Wonsey, (517) 373-3352, WonseyJ@Michigan.gov)
- C **November 1** was the deadline for local districts (including PSAs) to file their **FY2003-04 financial audit reports** with the ISDs. The **financial and pupil accounting reports** were due **November 15** from the ISDs to the Department. Failure to file these reports will result in the **withholding of state aid**. (Kathy Weller, (517) 335-6858, WellerK@Michigan.gov)

C **November 15** was the deadline for local and intermediate districts (including PSAs) to submit the **FY2003-04 Annual Comprehensive Financial Report - FID**. Failure to file these reports will result in the **withholding of state aid**. (Glenda Rader, (517) 335-0524, RaderG@Michigan.gov)

Proration factor for Section 31 At-Risk is \$99.7239944449 per pupil, However, please see the item above labeled **Information Regarding Section 31a At-Risk** before verify the allowance amount.

*Do you have questions about the information appearing in this UPDATE? Call the consultants identified above or **Dan Hanrahan, Director, State Aid & School Finance, MDE**, phone: (517) 335-0521, fax: (517) 241-0196, e-mail: HanrahanD@Michigan.gov